NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

## PAID UP OIL AND GAS LEASE

(No Surface Use)

hose addresss is 4013 Eastwell Avenue, Fort Worth				_
	CAXST, V	7619	as Less	0
nd, DALE PROPERTY SERVICES, L.L.C., 2100 Ross Avenue, Suite 1870 Dalla preinabove named as Lessee, but all other provisions (including the completion of b. 1. In consideration of a cash bonus in hand paid and the covenants herein	lank snares) wei	e prepared jointly by Less	sor and Lessee.	
escribed land, hereinafter called leased premises:				
ACREC OF LAND MORE OF LECO PEING LOTICS	20		, BLOCK 5	
ACRES OF LAND, MORE OR LESS, BEING LOT(S)		ADDITIO	ON, AN ADDITION TO THE CITY	<u>آر</u>
ort しつぶた , TARRANT COU N VOLUME 355 - メ , PAGE <u>し</u> え	OF THE PL	AT RECORDING TO	THAT CERTAIN PLAT RECORDS FARRANT COUNTY, TEXAS.	_L
the County of Tarrant, State of TEXAS, containing	producing and nerations). The to deased premioned leased premioned leased premioned leased to the total for a more of the contents for a more of the content	narketing oil and gas, ald erm "gas" as used here ses, this lease also cove ased premises, and, in co complete or accurate des	ein Includes helium, carbon dioxide and of rs accretions and any small strips or parcels consideration of the aforementioned cash bor cription of the land so covered. For the purp	he he ill:
2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force along thereafter as oil or gas or other substances covered hereby are produced in	for a primary ten	n of $\frac{Q_{\text{COO}}}{Q_{\text{COO}}}$		fo e
therwise maintained in effect pursuant to the provisions hereof.  3. Royalties on oil, gas and other substances produced and saved hereunder aparated at Lessee's separator facilities, the royalty shall be transportation facilities at the oil purchaser's transportation facilities wellhead or to Lessor's credit at the oil purchaser's transportation facilities wellhead market price then prevailing in the same field (or if there is no such prevailing price) for production of similar grade and gravity; (b) for gas (includit activity for the proceeds realized).	r shall be paid by からとかせ lities, provided th price then prevai no casing head	y Lessee to Lessor as for (25) %) of such processee shall have the ling in the same field, the gas) and all other sub-	llows: (a) For oil and other liquid hydrocarb roduction, to be delivered at Lessee's option continuing right to purchase such production en in the nearest field in which there is such stances covered hereby, the royalty shall	on ili ii h
essee shall have the continuing right to purchase such production at the prevailing of such price then prevailing in the same field, then in the nearest field in which the lessame or nearest preceding date as the date on which Lessee commences its purchase on the leased premises or lands pooled therewith are capable of either preventing on hydraulic fracture stimulation, but such well or wells are either shut-in a deemed to be producing in paying quantities for the purpose of maintaining this here from is not being sold by Lessee, then Lessee shall pay shut-in royalty of or essor's credit in the depository designated below, on or before the end of said 90-thile the well or wells are shut-in or production there from is not being sold by Lesse being sold by Lessee from another well or wells on the leased premises or lands allowing cessation of such operations or production. Lessee's failure to properly perminate this lease.	ere is such a pre- rotases hereunce roducing oil or go or production the lease. If for a pe de dollar per acn day period and t ee; provided that pooled therewit ay shut-in royalt	vailing price) pursuant to ler; and (c) if at the end of as or other substances of the from is not being sold eriod of 90 consecutive de then covered by this le hereafter on or before ea if this lease is otherwise h, no shut-in royalty shall y shall render Lessee liat	comparable purchase contracts entered into of the primary term or any time thereafter on overed hereby in paying quantities or such we by Lessee, such well or wells shall neverthel ays such well or wells are shul-in or productase, such payment to be made to Lessor of channiversary of the end of said 90-day pebeing maintained by operations, or if product to be due until the end of the 90-day period rebie for the amount due, but shall not operation.	e de la compania del la compania de la compania del la compania de la compania de la compania del la co
4. All shut-in royalty payments under this lease shall be paid or tendered to Le Lessor's depository agent for receiving payments regardless of changes in the owner and and such payments or tenders to Lessor or to the depository by deposit in the didress known to Lessee shall constitute proper payment. If the depository should ayment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper reconsist of the provisions of paragraph 3, above, if Lessee drills a well which remises or lands pooled therewith, or if all production (whether or not in paying unsuant to the provisions of Paragraph 6 or the action of any governmental autority and the provisions of Paragraph 6 or the action of any governmental autority and the leased premises or lands pooled therewith within 90 days after completion of the end of the primary term, or at any time thereafter, this lease is not otherwise it perations reasonably calculated to obtain or restore production therefrom, this lease occasions of more than 90 consecutive days, and if any such operations result itere is production in paying quantities from the leased premises or lands pooled there is production in paying quantities from the leased premises or lands pooled there (a) develop the leased premises as to formations then capable of producing in pased premises from uncompensated drainage by any well or wells located on othe diditional wells except as expressly provided herein.	vnership of said I US Mails in a st ilquidate or be s cordable instrume is incapable of p quantities) perm thority, then in I ting well or for d operations on stoeing maintalned eight and the production herewith. After c with as a reason paying quantities er lands not poole	and. All payments or tend amped envelope address ucceeded by another instituted roducing in paying quantitiantly ceases from any the event this lease is in rilling an additional well of uch dry hole or within 90 of lin force but Lessee is to force so long as any one of oil or gas or other su ompletion of a well capal ably prudent operator woth on the leased premises ed therewith. There shall	lers may be made in currency, or by check or led to the depository or to the Lessor at the itution, or for any reason fail or refuse to accition as depository agent to receive payments ties (hereinafter called "dry hole") on the lead cause, including a revision of unit bounda of otherwise being maintained in force it is or for otherwise obtaining or restoring produce days after such cessation of all production, then engaged in drilling, reworking or any or or more of such operations are prosecuted batances covered hereby, as long thereafter bie of producing in paying quantities hereunuld drill under the same or similar circumstan or lands pooled therewith, or (b) to protect the no covenant to drill exploratory wells or	r t la e se rie hic lf i liber ce th ar
6. Lessee shall have the right but not the obligation to pool all or any part of epths or zones, and as to any or all substances covered by this lease, either befroper to do so in order to prudently develop or operate the leased premises, wheth nit formed by such pooling for an oil well which is not a horizontal completion shall orizontal completion shall not exceed 640 acres plus a maximum acreage tolerance ompletion to conform to any well spacing or density pattern that may be prescribed if the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 custer or more per barrel, based on 24-hour production test conducted under nor	fore or after the er or not similar in not exceed 80 a of 10%; provide or permitted by bed by applicablic feet per barrenal producing or	commencement of produ pooling authority exists wa circes plus a maximum ac ad that a larger unit may be any governmental author le law or the appropriate all and "gas well" means a ponditions using standard orient of the gross comp	iction, whenever Lessee deems it necessary ith respect to such other lands or interests.  treage tolerance of 10%, and for a gas well of formed for an oil well or gas well or horizo ity having jurisdiction to do so. For the purp governmental authority, or, if no definition is well with an initial gas-oil ratio of 100,000 co	Thornton

- 7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lesson's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises
- 8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferree to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to
- pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

  9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.
- 10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lesses shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

  11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by Inability to obtain necessary permits, equipment, serv
- water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's
- obtain a salisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

  12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

  13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default and Lessee fails to do so.
- 14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.
- other benefit. Such subsurface well bore easements shall run with the land and survive any termination or his lease.

  15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

  18. Notwithetending continue contained to the control in the lesser lessee shall be use the surface of the lessed premises for drilling or other
- 18. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations
- 17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

  DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without dures or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that he representations or accurrance were made in the peoplishing of this lease that I assor would get the highest price or

different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing term which Lessee has or may negotiate with any other lessors/oil and gas owners.
IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signal heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.
LESSOR (WHETHER ONE OR MORE)
By: Reging, Johnson By:
By: Reging, Johnson By:
STATE OF TEXAS
COUNTY OF TOTAL OF THE STREET COUNTY OF THE S
KISHA G. PACKER POLK Notary Public, State of Texas My Corrmitate 2013  Notary Public, State of Texas My Corrmitate 2013  Notary Public, State of Texas
April 15, 2012  Notary's name (printed): Notary's commission expires:
STATE OFCOUNTY OF
This instrument was acknowledged before me on theday of, 2008, by:



## DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

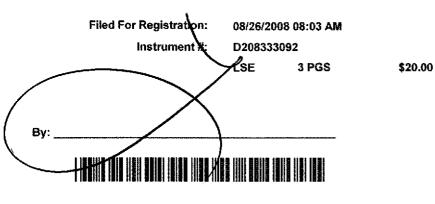
DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

## SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

## <u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.



D208333092

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

Printed by: MV